

EXCEPTION

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BEFORE THE ARIZONA CORPORATION COMMISSION

2014 DEC -8 A 11: 08

COMMISSIONERS

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AZ CORP COMMISSION
 DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

DEC 08 2014

ORIGINAL

IN THE MATER OF THE APPLICATION OF
 SULPHUR SPRINGS VALLEY ELECTRIC
 COOPERATIVE, INC., FOR APPROVAL OF
 THE 2015 REST IMPLEMENTATION PLAN
 AND 2015 RES TARIFF SURCHARGE

DOCKET NO. E-01575A-14-0271

EXCEPTIONS

On July 17, 2014, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or the "Cooperative") filed its 2015 Renewable Energy Standard and Tariff Implementation Plan ("2015 REST Plan") with the Arizona Corporation Commission ("Commission") for approval. On December 1, 2014, Utilities Division Staff ("Staff") filed its memorandum and proposed order recommending approval of the 2015 REST Plan as submitted, with one modification. In its 2015 REST Plan, SSVEC proposed excluding leased residential and non-residential photovoltaic ("PV") systems from eligibility to receive the \$0.25 per installed Watt incentive. However, Staff recommended that leased PV systems remain eligible for the incentive, stating that "[t]he concerns that SSVEC raises regarding leased PV systems are not unique to SSVEC" and that "it is the consumers considering these systems who ultimately must weigh the benefits and drawbacks of the financing mechanism used for acquiring rooftop solar." For all of the reasons discussed in its July 17, 2014 filing, as further set forth herein, SSVEC disagrees with Staff's assertion and respectfully requests that the Commission modify the proposed order to incorporate the Cooperative's request to exclude leased PV systems from the incentive program. For the Commission's convenience and consideration, a proposed amendment is attached hereto as Attachment 1.

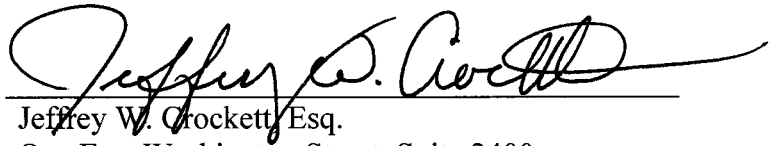
1 As a member-owned non-profit electric cooperative, SSVEC's primary mission is to look
2 out for the best interests of its member-owners. With a track record of more than 75 years
3 delivering reliable electric service at reasonable rates, SSVEC's members have come to trust that
4 when the Cooperative offers a program, it is a good program. As a result, SSVEC's members
5 tend to avail themselves of the Cooperative's programs. Hence, by offering incentives on leased
6 PV systems, SSVEC is at least tacitly supporting these systems and, in fact, various leasing
7 companies have touted that the Cooperative supports and works "hand-in-hand" with leased
8 systems. However, SSVEC has received member complaints about PV leases that have already
9 resulted in higher total electric bills than if the member had not signed the lease; that cause
10 pending home sales to fall out of escrow; and that lock elderly members (in one case a couple in
11 their 80's) into long 15-20 year leases. Moreover, SSVEC notes that when three of the four
12 Democratic members of Arizona's congressional delegation ask the new Consumer Financial
13 Protection Bureau in Washington D.C. to have a look at rooftop solar leases, as discussed in a
14 recent November 29, 2014, editorial in The Arizona Republic, this sends up an additional red
15 flag.¹

16 While SSVEC generally agrees with Staff that it is consumers who ultimately must
17 weigh the benefits and drawbacks of the financing mechanism used for acquiring rooftop solar,
18 SSVEC also believes that offering a rebate on leased PV systems may tip the scale towards
19 leasing and implies that the Cooperative encourages and supports leasing. To the contrary,
20 SSVEC believes that, overall, leasing is generally not in the best interest of its member-owners
21 and that the Cooperative has an obligation to act in the best interests of its members. For all of
22 these reasons, SSVEC requests that the Commission reject Staff's recommendation regarding
23 incentives for leased PV systems and adopt the proposed amendment attached hereto as
24 Attachment 1.

25 _____
26 ¹ <http://www.azcentral.com/story/opinion/editorial/2014/11/29/rooftop-solar-power-arizona/19557291/>

1 RESPECTFULLY SUBMITTED this 8th day of December, 2014.

2 BROWNSTEIN HYATT FARBER SCHRECK LLP

3 

4 Jeffrey W. Crockett Esq.
5 One East Washington Street, Suite 2400
6 Phoenix, Arizona 85004
7 Attorneys for Sulphur Springs Valley Electric
8 Cooperative, Inc.

9 ORIGINAL and thirteen (13) copies filed
10 this 8th day of December, 2014, with:

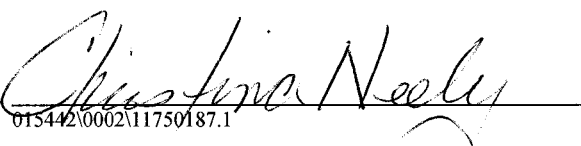
11 Docket Control
12 ARIZONA CORPORATION COMMISSION
13 1200 W. Washington
14 Phoenix, Arizona 85007

15 COPY of the foregoing hand-delivered this
16 8th day of December, 2014, to:

17 Lyn Farmer, Chief Administrative Law Judge
18 Hearing Division
19 ARIZONA CORPORATION COMMISSION
20 1200 W. Washington Street
21 Phoenix, Arizona 85004

22 Steven M. Olea, Director
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ATTACHMENT 1

PROPOSED AMENDMENT # 1

DATE PREPARED: December 8, 2014

COMPANY: Sulphur Springs Valley Electric Cooperative, Inc.

DOCKET NO.: E-01575A-14-0271

OPEN MEETING DATES: December 11-12, 2014

AGENDA ITEM: U-26

Page 7, line 9,

ADD a new Conclusion of Law No. 4 as follows:

4. The Commission agrees with the points and concerns raised by Sulphur Springs Valley Electric Cooperative, Inc. regarding the continued inclusion of leased PV systems in its incentive programs, and concludes that it is in the public interest to approve the request of Sulphur Springs Valley Electric Cooperative, Inc. to exclude leased PV systems from eligibility for incentives under its 2015 REST Plan.

Page 8, lines 2-3,

DELETE the existing Ordering Paragraph and REPLACE with the following:

IT IS THEREFORE ORDERED that the request of Sulphur Springs Valley Electric Cooperative, Inc. to exclude leased PV systems from eligibility for incentives under its 2015 REST Plan is approved.

Make all other conforming changes.